MIDDLE EAST AND SOUTH ASIA REVIEW

4 FEBRUARY 1982

Egypt

Cairo radio broadcast President Husni Mubarak's speech at a White House reception in which he called for redoubled efforts to establish a comprehensive and lasting Middle East peace, preserve stability and security in the area and reach a solution to the Palestinian problem based on "mutual recognition and acceptance of the two sides." The best guarantee of Israeli security, he said, is for the Palestinians to have an "independent entity" and to enjoy the right of self-determination. The Palestinians need U.S. help and support to realize this, he added. Mubarak also stressed the need for a U.S.-Palestinian dialogue in his speech to the banquet held in his honor by President Ronald Reagan. In his remarks, carried by MENA, Mubarak also said his talks with Reagan had "reaffirmed our faith in the future." According to Cairo radio, Mubarak said earlier that he and Reagan had discussed bilateral relations, military and economic aid to Egypt, the political situation in general and Palestinian autonomy. MENA reported that Foreign Undersecretary Usamah al-Baz said President Reagan showed complete understanding of Mubarak's viewpoints on the Palestinian problem and promised to intensify the U.S. role in this respect so that the Palestinians can attain their legitimate rights.

Commenting on the U.S.-Egyptian economic talks, Deputy Prime Minister Muhammad 'Abd al-Fattah Ibrahim said in a statement reported by Cairo radio that U.S. officials had responded to all the Egyptian demands that flexibility and freedom be allowed in the use of U.S. aid to Egypt. He said final agreement had been reached on the $1.046 billion U.S. aid package for 1982. The radio also reported that Economy and Foreign Trade Minister Fu'ad Hashim said U.S. Commerce Secretary Malcolm Baldridge had promised to study the demand that Egyptian exports to the United States, especially cotton, be increased.

A Cairo radio commentary on the Egyptian delegation's visit to Washington emphasized the need for flexibility in the allocation of U.S. aid and stressed Egypt's demand for the achievement of a balance of power in the Middle East through increasing military aid to Egypt, thus contributing to political stability in the area. Welcoming U.S. declared intentions to increase military aid to Egypt and to appoint a new special envoy to the Middle East to push the autonomy talks forward, the radio restated Egypt's call for the U.S. administration to start a direct dialogue with the PLO. An AL-AHRAM editorial, reported by the radio, said the U.S. envoy's role in the autonomy talks should no longer be confined to listening and conveying ideas, but should go beyond that to presenting positive proposals aimed at narrowing the differences in views. The United States should participate in the talks as a partner with certain commitments, AL-AHRAM said.

Syria

Al-Asad-Ash-Shadhili Meeting -- Damascus radio reported a meeting between President Hafiz al-Asad and Lt Gen Sa'd ad-Din ash-Shadhili, secretary general of the Egyptian Nationalist Movement, during which the participants stressed that Arab efforts to foil the goals and consequences of the Camp David agreement must be strengthened and that the nationalist forces in Egypt must work to free it from the Camp David strings in order to restore the country to its natural place in the Arab ranks.

AL-BA'TH on Egyptian Regime -- Noting that Egypt supplied arms to Iraq and was invited by it to the nonaligned conference, an AL-BA'TH commentary reported by SANA contended that both countries have now diverted their potential away from the main battle against the Zionist enemy. The commentary stated that Syria has decided to support the Egyptian Nationalist Movement in order to overthrow the Egyptian regime and return Egypt to its position of struggle within the Arab fold and to enable it to help confront the hostile policy of the United States. To achieve this end, the paper called for unity of and Arab support for the Egyptian forces opposed to the current regime in order to resist the regime's tyranny and national and pan-Arab deviation and to topple the new symbols of treason in Egypt.

Israel

Shamir on Cease-Fire, Autonomy -- In statements to the Knesset Defense and Foreign Affairs Committee, reported by Jerusalem television, Foreign Minister Yitzhaq Shamir said Israel has no intention of violating the cease-fire in Lebanon and will react only if attacked, but he added that the "terrorists" would be wrong to think that Israel will act only against their activities in the north. In a report on the same meeting, Jerusalem radio noted that Shamir described as an "achievement" the announcement by U.S. Secretary of State Alexander Haig that the autonomy document published by Israel manifests some flexibility.

Sharon on 'Terrorism' -- Defense Minister Ari'el Sharon, in an interview carried by Jerusalem radio, explained that Israel's strong statements after the terrorists penetration near Mehola were a response to an accumulation of incidents. He referred to 60 cease-fire violations, including over 30 in southern Lebanon and over 20 infiltration attempts from Jordan, and stated that Israel will not accept terrorist activity as something routine with which it is prepared to live. Sharon expressed his hope that if Jordan's policy changes, it is inconceivable that Israel will maintain the status quo on the Jordanian border. He also said Jordan should do more to prevent terrorist activity.

Reaction to BBC Program -- According to Jerusalem radio, the Labor Party sharply criticized Foreign Ministry Director David Kimche for his remarks on the BBC television program Panorama in which he said Israel would favor a military coup in Iran. Another radio report cited a denial by Kimche that he had said Israel planned to orchestrate a military coup in Iran. Kimche added that it is not Israel's business to intervene in another country's domestic affairs.

PLO - LEBANON

In a speech to Palestinian graduates in foreign relations, broadcast by the clandestine Voice of Palestine radio, Fatah Central Committee member Salah Khalaf regretted the recent Fatah-as-Sa'iqah clash, asserting that he hopes the incident will be the last such clash between Palestinian organizations and that there is no related Syrian-Palestinian conflict and never will be. Regarding the recent clashes in the south in which the Amal movement fought Palestinian and leftist organizations, Khalaf claimed that there are persons in the Amal movement trying to cause Lebanese-Palestinian clashes, particularly in the southern "red line" area, where neither the PLO nor the National Movement can allow any "tampering" because of its vulnerability to Israeli attacks. Calling on "brother nationalists" in Amal to take action against evil elements and schemers, Khalaf said Amal will lose rather than gain from starting clashes. He deplored the "backward slogan" of fighting communism in the name of Islam and said the PLO is concerned about the Amal movement.

Libya

According to JANA, on 31 January two U.S. "Phantom-14" planes carried out an act of air piracy against a Libyan airliner inside Greek airspace by flying over the Libyan aircraft and chasing it for more than 7 miles. JANA reported that Libya protested to the U.S. administration, and Tripoli radio noted that Libya asked the UN Security Council to condemn such terrorist practices.

FBIS DAILY REPORT
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MUJAHIDIN REPORTEDLY DESTROY 20 MIG'S, GUNSHIPS

GF011410 Karachi NAWA-E-WAQT in Urdu 27 Jan 82 p 1

[Text] London, 26 Jan (AAP) -- The freedom fighters in Afghanistan have made a lightning attack on Baghram airport, from which most of the antimujahidin attacks emanate, and destroyed 20 MiG's and helicopter gunships. This largest operation against Soviet attackers in the last 2 years of organized guerrilla fighting produced major losses never before inflicted in one operation.

The attack was so sudden and intense that Soviet troops attacked Karmal forces in the eastern sector, presuming that they would defect to the mujahidin. According to reports reaching Pakistan, on the night of 7-8 January, mujahidin commanders of the Ettehad-e Eslami group led a three-pronged attack from the northeast, northwest and southwest.

The commanders were the magistrate of (Ghorvand) Valley, Commander Niazi of (Andarab) Valley and (Qarahbagh's) Captain Shahed. The freedom fighters were equipped with mortars and new rocket launchers which some of those who had joined the mujahidin recently had brought along with them.

KARACHI PAPER: MUJAHIDIN REWARD DEFECTORS

GF011307 Karachi JASARAT in Urdu 25 Jan 82 p 6

[Text] London, 24 Jan (AAP) -- Three soldiers of (Zarmat) cantonment have fled with their ammunition and a mortar and joined the ranks of the mujahidin, who rewarded them with 5,000 afghanis each.

It may be recalled that the (Zarmat) cantonment is surrounded by the mujahidin. Food and arms are conveyed to the besieged soliders by helicopter.

BRIEFS

DELEGATION DEPARTS FOR HAVANA -- Kabul, 3 Feb (BAKHTAR) -- An Afghan delegation headed by Sattar Pordeli, president of the central council of the trade unions of Afghanistan, left for Cuba today. The Afghan delegation will take part in the tenth world congress of the trade unions to be held in Havana from February 10 to 15. [Text] [Kabul BAKHTAR in English 0422 GMT 4 Feb 82 LD]

AID FROM GDR -- A plane loaded with aid from the GDR solidarity committee to the DRA Peace, Solidarity and Friendship Organization landed today at Kabul International Airport and the respective document of this grant-in-aid was given to the secretary of the DRA Peace, Solidarity and Friendship Organization by the GDR ambassador in Kabul. The aid was accepted with thanks. Prior to the presentation of the document, speeches were exchanged between the ambassador and the secretary in charge on the good relations and cooperation between the two countries. The grant-in-aid goods from the friendly country of the GDR weighed more than 8 tons, comprising medical supplies, sewing machines, children's clothing and sports equipment, which will be distributed to the Democratic Womens Organization of Afghanistan, Pioneers organization and the Watan nursery. [Text] [Kabul Domestic Service in Dari 1600 GMT 23 Jan 82 LD]

COMMENTATOR ASSESSES INDO-PAKISTANI TALKS

BK021214 Delhi General Overseas Service in English 1010 GMT 2 Jan 82

[Commentary by S. Vishwam of the DECCAN HERALD]

[Text] There is good cause for satisfaction from the outcome of the visit to New Delhi of Pakistan Foreign Minister Agha Shahi and the several rounds of talks he held with External Affairs Minister Narasimha Rao over the conclusion of a nonaggression pact between the two countries. By the very nature of Indo-Pakistan relations it was too much to expect that all differences of perception either over the international environment or bilateral ties would be resolved. However, whatever has been achieved needs to be welcomed, if only for the reason that some positive efforts have been initiated toward confidence building.

To sum up the outcome briefly, the two countries moved a step closer to the conclusion of a nonaggression pact when it was decided that the foreign secretaries of the two countries should meet in Islamabad later this month to continue the dialogue over shaping the contours of the pact. The exchange would in effect be a prelude to the setting up of a joint commission, the suggestion for the constitution of which emanated from no less an authority than Prime Minister Mrs Gandhi during her meeting with Agha Shahi.

Thirdly, Mrs Gandhi's spontaneous offer to sign a treaty of friendship with Pakistan on a pattern similar to the 10-year-old treaty between the Soviet Union and India created just the kind of atmosphere which is conducive to the elimination of distrust.

It was not surprising, therefore, that the Pakistani foreign minister should have on his return home stated that India had shown her seriousness of approach in tackling the issue of no-war pact between the two neighbors. A few hours before his departure home, he had told a press conference that the talks in New Delhi had been in no way discouraging. Shahi said that a final agreement on so important an issue as no-war pact would require extensive talks.

Narasimha Rao also conceded that the talks had established and identified the areas of commonality and the further attempt should be directed to determine the areas of mutuality. These views, of course, immediately put the focus on the nature and intensity of the differences that separate the two countries.

Differences persist on issues of bilateralism and nonalignment. While India has maintained all along that the Simla Agreement should permeate bilateral relations, Pakistan is known to be giving primacy to the UN Charter. Similarly, India finds it inconceivable that any country committed to nonalignment could persuade itself to become part of a superpower's strategic consensus and even think in terms of offering bases or military facilities to it.

The concept of bilateralism would require both the countries to resolve their bilateral disputes themselves without seeking or bringing about third party interference. India has had occasion in the past to question the wisdom of Pakistan raising bilateral disputes like Kashmir in international forums. Till these differences are satisfactorily resolved, it may be premature to be unduly optimistic about the development of relations. But, at the same time, it needs to be recorded that the New Delhi talks have indeed led to clearing the air of mutual misgivings and suspicions. It also needs to be remembered in this context that India was initially unenthusiastic to the Pakistani proposal for a no-war pact. This was largely because of the circumstances in which the offer came to be made. It was tacked onto a statement recording an agreement between Pakistan and the United States on military supplies.

Since Pakistan has consistently rejected for more than 3 decades India's repeated offers for a no-war pact, its own revival of the proposal failed to carry conviction.

However, it is all to the good that Shahi visited New Delhi at the invitation of his Indian counterpart and tried his best to convey his country's sense of genuine sincerity in desiring a nonaggression and nonuse-of-force pact with India.

India has joint commissions with nearly 50 countries of the world but this will be the first time that one is being set up with Pakistan. This by itself is a happy augury and bodes well for the development of relations in the economic, consular, cultural and trade spheres.

Yet another important decision in New Delhi was the commitment by Pakistan to institute new search for a number of missing Indian defense personnel believed to be in Pakistani jails since the end of the Bangladesh war. Pakistan had earlier said that no such personnel were in its jails but a renewed plea by India on behalf of their families has persuaded Pakistan to make yet another search.

One can only hope that Shahi's visit and the coming visit of India's foreign secretary, R.D. Sathe, to Islamabad will open up new chapters of mutual understanding and confidence between the two countries.

WORLD BANK LOAN CUT, CHANGES IN AID SCORED

BK291223 Delhi General Overseas Service in English 1010 GMT 29 Jan 82

[Commentary by R.C. Ummat, associate editor of EASTERN ECONOMIST]

[Text] The World Bank's announcement cutting down the interest-free loan to India by more than half its allocation comes as a surprise to no one. World Bank President A.W. Clausen, on his recent visit to India, had said as much and in very clear terms. He should also be thanked for his little mercies when he offered to make efforts to bridge the shortfall in this type of assistance from other sources like the International Bank for Reconstruction and Development [IBRD] and the International Finance Corporation [IFC] in case India so desires. Someone in Washington should hold him the ribbon in advance for his hat-trick in producing a rabbit out of an empty hat, for his finesse in first delivering the blow and then applying the balm.

This new mix of aid from World Bank sources implies an interest payment burden of over 100 million dollars a year on India, which will now have to pay 13 percent interest on nearly 800 million dollars of borrowing which normally should have been interest free. This new mix of aid from World Bank sources implies that the external debt servicing burden will go up considerably. The assistance from the IDA carries no interest. Only a service charge at the rate of three-fourths of 1 percent is levied. The repayment is spread over 80 semi-annual installments commencing after a moratorium of 10 years. The IBRD loans, on the other hand, carry interest around 11.5 percent per annum and have to be repaid in 10 to 30 years, including a grace period of 3 to 10 years. The terms for assistance from the IFC are even stiffer -- the interest charge being around 16 percent and the repayment period just about half that for the BRID loans.

On the face of it, the mixture of hard and soft loans would be detrimental to the country's economy. This India can ill afford. India cannot accept the expensive World Bank loan as a substitute for IDA loans without impairing its economy. It shall have to resort to external borrowings on a selective basis and only for projects which can generate surpluses.

The cut in assistance from the IDA from 40 percent -- which India has been receiving -- has been proposed on two considerations. First, the IDA is facing a shortfall of 1.6 billion dollars in resources owing to the United States not meeting its sixth replenishment obligation and secondly, the unwillingness of developed countries to make up the shortfalls even partially, despite the World Bank's plea to that effect, because of a deepening recession following recent hikes in the price of crude. Yet, this is not the sole reason for the dimming prospects of multilateral assistance to the developing nations.

International aid flows are as conducive to the growth of the capital-deficient developing countries as to that of the donor countries themselves. They assist the exports from the donor countries.

The basic reason for the present situation is the growing accent of the present U.S. administration on security-linked bilateral assistance. The United States did not take kindly to the Pokhran atomic implosion and scuttled its assistance to India several years ago. India's policies are considered to be nonsupportive of the U.S. foreign policy and a hindrance to the role of multinationals.

India's efforts at legitimate defense preparedness to counter the stimulated flow of sophisticated armament to Pakistan from the United States -- despite Pakistan going whole hog with its nuclear program -- are cited as instances of misuse of external aid. India, therefore, must be taught a lesson -- its development costs must be raised.

India, perhaps, is a special case. But should development aid be made to subserve the interest of a particular country howsoever important and mighty it be? The answer of the developing nations -- mostly colonies of the developed countries not long ago -- obviously will be in the negative.

The need for enlarging aid flows, particularly those of concessional assistance which entail a debt servicing burden that can be borne by the developing countries, was perhaps never greater than at present when the terms of trade are progressively turning against the developing nations.

To cap it, protectionist tendencies are accentuating in the developed countries. Islands of prosperity and the myths of an ocean of poverty cannot exist for long. The developed nations ought to appreciate this fully.

USSR URGED TO FINANCE VISAK ALUMINA PLANT

BK281303 Delhi Domestic Service in English 1230 GMT 28 Jan 82

[Text] India has urged the Soviet Union to finance the Visak alumina plant. Disclosing this to newsmen in New Delhi today, Secretary to the Department of Mines R. Ganapati said the 5-billion-rupee project has been accepted as viable. There is no provision for it in the current plan.

Preliminary discussions to fully finance the project were held with the Soviet minister for nonferrous metallurgy early this week, he added.

INDIA TODAY: USSR DECIDES TO SELL SAM-9's

BK031347 Hong Kong AFP in English 0556 GMT 3 Feb 82

[Text] New Delhi, 3 Feb (AFP) -- The Soviet Union has decided to sell modern surface-to-air missiles to India in a bid to prevent New Delhi from turning to France for the sophisticated new weapon, "INDIA TODAY" fortnightly reported in its latest issue which appeared today.

In its popular "In the Air column", the news magazine said that the Soviet Union had cleared the sale of SAM-9 low-level quick-reaction missiles.

"The SAM-9 are some of the most efficient missiles of their kind and are considered more advanced than the French Crotale... Pakistan already has six batteries of Crotale missiles and India was also thinking of acquiring them. The Soviets, however, moved quickly to stop this," the magazine said.

SOVIET PILOT REPORTEDLY ON CRASHED MIG-25

BK030816 Hong Kong AFP in English 0807 GMT 3 Feb 82

[Text] New Delhi, 3 Feb (AFP) -- The latest issue of the influential fortnightly news magazine INDIA TODAY, disclosed here an Indian Air Force MiG-25 Foxbat spy-plane which crashed last month at a central Indian airbase was being flown at the time by a Soviet pilot. "The aircraft was being flown by a Soviet pilot who was injured in the crash and immediately whisked off to Moscow," INDIA TODAY wrote in its column "In the Air."

It said the aircraft was one of the seven such planes the Indian Air Force got from the Soviet Union as part of a $1.6 billion arms deal signed last year.

The crash, which took place in a base in the Uttar Pradesh state bordering China and Nepal. occurred when the plane was making its final approach to the airfield. "No message was radioed to the control tower before the pilot bailed out and the plane crashed short of the airfield.... The Soviet pilot was rushed to the base hospital, but Soviet advisers at the airfield arrived and bundled the injured pilot into a car and drove him down to New Delhi where he was put on an Aeroflot flight to Moscow," INDIA TODAY said.

"The crash is causing considerable concern in the Indian Defence Ministry and unless the Soviets cooperate, the key witness will not be on hand to tell his story for the inquiry announced last fortnight," the magazine said. No official comment on the report was forthcoming.

EXPRESS COMMENTS ON TRIPARTITE ASSAM TALKS

BK031005 Delhi THE INDIAN EXPRESS in English 25 Jan 82 p 6

[Editorial: "A Good Round"]

[Text] The first round of tripartite talks on Assam, which concluded last week, is to be assessed not so much in terms of concrete results as by the prospects it holds out for the negotiations ahead. The crucial issue of detection, deportation or dispersal of the people involved was not expected to be got over in the first round itself. On the other hand, the meeting facilitated an agreement on strengthening the border with Bangladesh to prevent infiltration in future. In the earlier rounds also, the government had made certain commitments in this respect. In fact, Delhi has been talking of one measure or another to stop the foreign inflow ever since the Assamese started complaining about it decades ago. But the promises were for the record only. That is why this has become such a complicated problem.

The difficulties involved in erecting physical barriers and creating an uninhabited zone along the border are obvious. The Berlin wall did serve the purpose, grimly enough. But that was for a limited stretch along the border of a divided city. Sealing the Assam border is a different proposition altogether. That, however, is no excuse for doing nothing. The government cannot shirk the responsibility to make things as difficult for would-be infiltrators as possible, whatever the cost or means. Bangladesh has no right to question the legitimate measures being taken on our side of the border for this purpose.

An official spokesman is reported to have stated that the points agreed to at the tripartite talks could only be part of a package deal. But why? Is it only to satisfy the Assamese agitators that Delhi has offered to protect a part of the national border? It is an absurd piece of spokesmanship. Not only the Assam line but the porous borders on the West Bengal, Tripura and Meghalaya parts should also be plugged, regardless of the course of these negotiations. The opposition leaders, who are a party to the agreement on this point, must see to it that it is done. Incidentally, why must Mr Charan Singh boycott these talks when all other opposition leaders are participating? Is that an example of the opposition unity he is working for?

KABUL PROTEST ON BORDER INCIDENT REJECTED

BK031555 Karachi Domestic Service in Urdu 1508 GMT 3 Feb 82

[Text] An official spokesman in Islamabad has rejected a protest lodged by the Kabul authorities and has described the allegations made by Kabul radio on Monday [1 February] as completely baseless that the Pakistani militia at the Tor Khan borderpost fired at an Afghan soldier, killing him. The broadcast also alleged that the Pakistani militia had also taken the dead soldier's Kalashnikov rifle.

The spokesman said that these allegations were investigated and it was revealed that there had been an incident of firing inside Afghan territory on last Friday [20 February] in which, about 500 yards west of the (Pakbara) frontier, Afghan residents -- who were most probably connected to the resistance movement -- fired at the Afghan borderpost. After this, officers of the Afghan border contingent established contact with their Pakistani counterparts. The suspicions of the Afghan officers that the firing came from Pakistan territory were cleared; they were told that the Pakistani militia could not have entered Afghan territory to snatch the dead soldier's rifle.

The spokesman said that the allegation was totally baseless and it is beyond comprehension that, following such an incident, members of the Pakistani militia would be able to cross the Afghan border and not be intercepted by anyone. The spokesman said that the Afghan border contingent had returned afer being fully satisfied that no one from the Pakistan side was involved in the incident.

The spokesman rejected the Afghan protest and described it as another attempt by the Kabul authorities to blame Pakistan for the resistance activities carried out by Afghan citizens against the administration imposed upon them.

COUNCIL CHAIRMAN TO RECOMMEND REVIVAL OF PARTIES

GF291130 Karachi DAWN in English 25 Jan 82 pp 1, 12

[By Mujtaba Akhter]

[Text] Islamabad, Jan 24 -- Khwaja Mohammad Safdar, chairman of the Federal Council, said here on Sunday that he would recommend to President Mohammad Ziaul Haq revival of all the defunct political parties in the country and necessary amendments in the existing law in this context.

Khwaja Safdar, in an exclusive interview with 'DAWN', said that a move to lift the ban on defunct political parties would inspire all such politicians who had given up hopes of general electric.

He, however, made it clear that, in his opinion, only those political parties which had been registered with the government would be allowed to take part in the election; and those political leaders, who did not get their parties registered with the government, should be kept out.

Asked if he proposed to form a separate political party, Khwaja Safdar said he was still a member of the defunct Pakistan Muslim League, and therefore the question of forming a separate political party did not arise. He had immense love and respect for his party leader and colleagues, but the decision to join the Federal Council was purely a personal one and of course rational, the chairman added.

Asked if his decision to join the Federal Council could hurt his reputation as an old opposition leader, he said he did not think so.

Khwaja Safdar said the government decision to nominate him as the chairman of the Federal Council was unexpected which was conveyed to him at the eleventh hour.

A day before his nomination as chairman, he was taken by surprise at about midnight when he received a telephone call from Islamabad that told him about his new responsibility.

In reply to a question, the chairman said he was not prepared to join hands with the leaders of MRD (Movement for the Restoration of Democracy). MRD, he said, consisted of persons having views contrary to his own, and there was no chance he would be in harmony with them.

Khwaja Safdar said that throughout his political career he was known for his unequivocal views in support of democracy, and he would not let anyone do a thing which might jeopardise efforts for the restoration of democracy.

He said he had asked the members of the Federal Council to refrain from grouping within the council. President Ziaul Haq himself, he said, was extremely keen to restore democracy in the country. This, he said, required time and concentration, and those who expected a magical switchover from martial law to a civil government must keep in mind the intricate nature and magnitude of the task.

Khwaja Sahib said he has, by nature, to live in a healthy political atmosphere.

IRANIAN GOOD-WILL DELEGATION ARRIVES 2 FEB

BK021530 Karachi Domestic Service in Urdu 1500 GMT 2 Feb 82

[Text] An Iranian delegation led by Imam Khomeyni's envoy (Ayatollah Waez Tabasi) arrived in Karachi this afternoon on a visit to Pakistan. The delegation is on a good-will visit in connection with the third anniversary of the Islamic revolution of Iran. The delegation will stay in Karachi for 4 days and will also visit Hyderabad, Lahore and Islamabad.

BRIEFS

SOVIET TRACTOR PLANT AID -- A plant for the manufacture of tractors, a joint venture of a Pakistani firm and the Soviet Union, is being set up in Lahore. Radio Pakistan's Karachi representative says the Soviet Union will provide the technical knowhow, machinery and equipment for assembly and progressive manufacture of tractors. [Karachi Domestic Service in Urdu 0200 GMT 2 Feb 82 BK]

ISLAMIC BANK AID -- The Islamic Development Bank has agreed to finance trade and projects worth about $153 million in the Islamic countries. These include crude oil imports worth about $20 million for Pakistan and Turkey while $18 million for Bangladesh and $40 million for Algerian intermediate imports. [Text] [Karachi Domestic Service in English 1005 GMT 3 Feb 82 BK]

GAS RESERVES DISCOVERED -- Vast reserves of natural gas suitable for commercial and industrial purposes have been discovered in Khairpur and Uch Districts. According to information released by the Hydrocarbon Development Institute, the new reserves contain about 2.5 trillion cubic feet of gas, which will be sufficient for 120 years. Some of the gas will be exported to the Middle East. It has been suggested that the carbon dioxide reserves be utilized to set up a plant to produce dry ice for cold storage facilities. The carbon dioxide also contains 12 percent methane. Nitrogen reserves also exist in the area. [Karachi NAWA-E-WAQT in Urdu 12 Jan 82 p 1 GF]

ISLAMABAD EXPLOSIVES SEIZURE -- Islamabad, 20 Jan (APP) -- Police have arrested one Ghulam Mohammed, son of Akra, allegedly for possessing some 50 detonators and five safety fuse of hand-grenade on Margalla Road near Tarnol on Wednesday. [Karachi DAWN in English 21 Jan 82 p 16 GF]

SYRIA'S KHADDAM MEETS VELAYATI, EXPRESSES SUPPORT

LD032034 Tehran Domestic Service in Persian 1630 GMT 3 Feb 82

[Text] The foreign ministers of the Islamic Republic of Iran and Syria today, for the second time, met and conferred with one another at the headquarters of the United Nations Organization in New York. We draw your attention to a report in this connection:

At 1700 Tehran time, corresponding with 0900 American time, 'Abd al-Halim Khaddam, the Syrian foreign minister went to the residence of our country's foreign minister and had breakfast with Dr Velayati.

Khaddam, who was accompanied by the Syrian UN envoy, was welcomed by Dr Velayati, the foreign minister; Dr Sa'id Raja'i, the Iranian UN envoy; and Mr Lavasani, the director general of the Asian-African office in the Foreign Ministry.

In today's talks between the Syrian and Iranian foreign ministers, at which the two countries UN envoys and the director general of the Asian-African office of the Iranian Foreign Ministry were also present, 'Abd al-Halim Khaddam thanked the Iranian foreign minister for his presence in the General Assembly and considered this measure as a perfect example of Iran's enmity toward Israel and of great importance to Syria. He paid tribute to the stance of the leaders of the Islamic Republic against Israel, which he referred to as the best an Islamic country could have.

Khaddam emphasized the similarity between Iran's and Syria's positions regarding the agreement on solving the Israeli issue with machineguns on the battlefront.

After about an hour of talks, Khaddam said in an interview with the Voice and Vision of the Islamic Republic of Iran, with reference to the journey by the Egyptian head of state, Mubarak, to the United States: To us, Husni Mubarak is the same as As-Sadat and there is no difference between him and the [word indistinct] As-Sadat. We are against Egypt's policies, but are not in opposition to the people. We consider Husni Mubarak to be a follower of As-Sadat's policies and hope that he will be isolated further.

In reply to our next question, about Syria's position toward Iraq, Khaddam said: Since the start of Iraq's aggression against Iran we have specified our stance on the war. 'Abd al-Halim Khaddam added: We consider the Islamic revolution in Iran as our own victory. The fall of the shah, who supported As-Sadat, was a victory for us and we must support this revolution so that it can be victorious. Creating obstacles to this revolution is tantamount to serving Zionism and imperialism.

'AZIZI ON UPCOMING LATIN AMERICAN TOUR

LD031416 Tehran Domestic Service in Persian 1030 GMT 3 Feb 82

[Text] According to the Central News Unit, Deputy Foreign Minister 'Azizi left Tehran today at the head of a delegation for a visit to Cuba, Nicaragua, Mexico and Venezuela to introduce the glorious Islamic revolution to the people of these countries and to exchange views on developing Iran's relations with these countries. Upon his departure, he was seen off by the Cuban ambassador to our country. A Central News Unit correspondent conducted an interview with Mr 'Azizi, which we shall now hear:

[Begin recording] [Question] Mr 'Azizi, as a Foreign Ministry official you are heading a delegation; could you tell us which countries you are going to visit and what the purpose of the visit is?

[Answer] In the name of God, the compassionate, the merciful. I and the members of the delegation will first visit Havana in Cuba. We shall then visit Mexico, Venezuela and Nicaragua.

As you know, the visit has a general aim. As the stances adopted by the Islamic revolution and, in general, the developments relating to the Iranian Islamic Republic over the past 3 years since the revolution have been the subject of comment and analysis by Zionist and imperialist mass media, it is necessary to establish direct contact with the mass media in each of the countries whose channels of communication are chiefly through the imperialist mass media, and to put the truth before them directly. This is in the hope that the strength of the truth of our word will find its way and that it will get a hearing and achieve contact with the nations in these countries.

Secondly, we shall describe the foreign policy positions of the Islamic Republic during the visit. Similarly, during our visit to Cuba in particular -- which is the first stage of our tour -- we shall, in our direct contact with the country's officials -- a country which at present is the chairman of the Nonaligned Movement -- stress the recent note by the Foreign Ministry of the Islamic Republic of Iran protesting the convocation of the nonaligned summit in Baghdad, the fact that a country that has violated and undermined the most fundamental basis of the Nonaligned Movement is not regarded by us as a worthy place for a meeting of these countries, in which to discuss and debate matters relating to nonalignment.

[Question] Will you have official meetings in the other countries as well?

[Answer] Yes, we shall have official meetings with these countries' officials.

[Question] You did not say anything about the composition of the delegation.

[Answer] Our delegation includes a representative from the Foreign Ministry of the Iranian Islamic Republic; Brother Sadeqi, deputy agriculture minister; and Brother Hojjat ol-Eslam 'Abust from the Qom seminary. [end recording]

MINISTER ON UPCOMING EAST EUROPEAN TOUR

LD031320 Tehran Domestic Service in Persian 1030 GMT 3 Feb 82

[Text] Mr Morteza Nabavi, minister of post, telegraph and telephone, left today for some countries in the Eastern bloc at the head of a delegation. At the airport he was seen off by the Bulgarian ambassador in Iran. Our reporter had an interview with the minister of post, telegraph and telephone, to which we draw your attention:

[Begin recording] [Question] Mr Nabavi, to which countries will you travel? Is your visit in connection with the anniversary of 11 February, or is it for some other special purpose?

[Answer] In the name of God, the compassionate, the merciful. With greetings to the imam of the nation and the martyr-nurturing nation; our trip is in connection with the anniversary of 11 February. Of course, some brothers who are experts in communications are also accompanying us on this tour and we think that we can have some activities in these fields on a marginal basis.

We will visit Turkey, Bulgaria and Albania on an official basis and as we will also pass through Hungary we have made arrangements to meet with that country's minister of communications and posts to discuss the possibility of expanding postal and communications relations.

The main aim of this visit is in connection with the anniversary of the revolution. We go on this trip with the assistance of God and in the name of the Islamic revolution, bearing an account of the deprivations of the martyr-nurturing Iranian nation which has been greatly oppressed by the superpowers.

The fact that this trip coincides with the birthday of Imam Hasan 'Askari, may God's peace be upon him, we regard it as a felicitous occasion and we hope we will be able to take the message of the blood of this nation to those people who are interested.

[Question] Do you have any plan to sign an agreement in Hungary?

[Answer] I am not sure about signing an agreement; we mainly wish to observe the possibilities and see what relations we can have with them in the fields of postal and communications activities.

[Question] Will you study these possibilities in other countries, too?

[Answer] Yes, we certainly will study these possibilities in a comprehensive way.

KHOMEYNI SPEAKS ON ISLAMIC REVOLUTION, WAR

LD031322 Tehran Domestic Service in Persian 1030 GMT 3 Feb 82

[Speech by Ayatollah Ruhollah Khomeyni addressed to Khuzestan Friday prayer leaders on 3 February -- place not given, read by announcer]

[Excerpts] In the name of God, the compassionate, the merciful. I reciprocate your congratulations on the birthday of His Eminence 'Askari, may God's peace be upon him, also for the anniversary of the Islamic revolution. I also ask God Almighty to guide us in promoting and implementing the precepts of Islam.

What is felt is that Islamologists and those who claim to be sociologists know nothing about Islam or sociology. You see, individuals and groups who make claims to those subjects, because they have no knowledge of Islam, its power or the state of Islamic society, thought that this revolution would not be able to hold its own from the early days and months and that it would perish from within and without. They do not know that when a revolution is of the people, and with an Islamic viewpoint at that, it differs in many respects from revolutions staged by groups or individuals. In people's revolutions all the people, because of the pressures to which they have been subjected for many years, gradually revolt in order to save themselves and their country. In our revolution the clergy have played a principal role in awakening the people.

When the revolution originates in the people's hearts it cannot be defeated by a group, a gang or even armies. For example, America or any other big power could occupy Iran but could not defeat the revolution. As in Afghanistan, where the Soviet Union was defeated, and it seems that it is repentant. [sentence as heard] America could bomb our cities with its aircraft but when it entered Iran, then what? The people would destroy them with tooth and nail. Those who thought that they could defeat the revolution knew neither Islam nor the Iranian people.

Saddam sprays you with bullets from afar or bombards you, which is an obvious sign of his weakness, decadence and lack of military power. The funny thing is that, although the world knows what the outcome of the war is, the Jordanian Husayn wishes to enter into a formal war. He intends to commit suicide. That is also because they do not know Islam, the people of Iran, the commitment of the Iranian people toward Islam and Iran. They believe that the Iranian people are the same as they are. They do not know that if they were to remove the bayonets aimed at the heads of their people, they would perish -- in contrast to Iran. Iran drove out the big powers, and its power is even greater than that of the early days.

Of course, as you know, the movement and the revolution were to implement the precepts of Islam; we had no motive other than this. After all, you did not want to gain power, you wanted to revive the Koran; thank God, that is in the process of being carried out.

Of course, there are difficulties and shortcomings; what can one do? As you know, we are at war; God willing, they will be overcome.

CENTRAL BANK PUBLISHES ECONOMIC STATISTICS

LD032110 Tehran IRNA in English 1529 GMT 3 Feb 82

[Text] Tehran, 3 Feb (IRNA) -- The Central Bank of Iran published economic statistics of Iran for the year 1358 (1979-1980). It was reported that the year started under very complicated problems, mostly due to the previous regime's economic policies. The strikes which led to the downfall of the regime also had hurt production. Many production units were stalled because of mismanagement, financial strains, scarce materials and workers' problems. Unemployment rose and industrial production fell. The GNP in 1358 decreased by 6.9 percent, which was less than the GNP decrease of the year 1357, which was 11.7 percent. In light of the problems, the provisional government started to undertake programs to stimulate industry and correct unemployment problems. That government carried out some short term measures, like allocation of funds for industries, and establishment of facilities for primary imports. However, those measures were not sufficient to solve all the problems facing the economy then, for there was no comprehensive economic programme and no precise supervision over the expenditure of the funds. Also, de facto economic sanctions gave rise to more serious problems in industries.

By early 1358 Iranian industry was facing a deep recession. Production decreased 23 percent in the first half of the year 1358. In the second half of the year 1358, production increased 11 percent over the first half of 1358 and 42 percent over the second half of 1357 which in part was due to seasonal variations. Production generally increased 1.2 percent in 1835 as compared with the year 1357 and was lagging behind the production index of 1356 of 13 percent. In 1358 the private sector did not show any inclination to make industrial investments and thus payment of loans to the private sector from the industrial banks of the country showed a decline of 84 percent and repaid loans, a decline of 80 percent. Conditions called for the government to compensate for the inactivity of the private sector and to build the industrial independence of the country on correct foundations. Nonetheless industrial investments using rehabilitation credits decreased 17 percent in 1358. In the agricultural sector wheat production in 1358 reached 6 million tons, an increase of 8 percent compared with the previous year.

In 1358, 3.8 million tons of beetroot and 136,000 tons of tea were produced, which showed an increase of 4 percent and 13 percent respectively as compared with 1357.

Although in some crops a decrease was seen, however, the general comparison indicated an increase in production as compared with the previous year. Constructional activities were stalled in the beginning of 1358, but showed a rise of 59 percent in the construction of small housing units. This led to a rise in the wages of construction workers, 22 percent for unskilled workers and 13 percent for skilled labourers.

In 1358, the crude oil production of the Islamic Republic of Iran was 3.4 million barrels of oil per day, which was 19 percent less than that of the previous year. The crude oil exports of the country decreased 25 percent to 2.6 million barrels of oil a day. However, the incessant rises in the oil price, greatly increased the country's oil revenues which rose 20.4 percent and reached 1,220 billion rials. So the total revenues of the government rose to 1,700 billion rials. Despite savings, the expenditures of the country rose 21.5 percent, and reached 1,549 billion rials. And also the investments of the government rose 15.8 percent. The budget deficit in 1358 rose to 529 billion rials as compared to 387 rials in 1357. One of the most important tasks of the government in 1358 was the nationalisation of private banks, carried out according to the decision of the Revolutionary Council dated Khordad 17, 1358. This move increased popular trust in the banking system of the country.

After that, efforts were launched to eliminate usury and interest in the banking system. In 1358, the people returned most of their money to the banks and the figure indicated an increase of 48 percent, corresponding to 846 billion rials. Loans granted to the private sector on behalf of the trade banks rose 17 percent.

In the year 1358, the foreign exchange policies of the country changed quite a bit and the amount of foreign exchange to be taken out of the country decreased, arms purchases were vastly cut, and purchases of luxurious goods were stopped. The consumer price index rose 11.4 percent as compared to the previous year, due mostly to the increase in the prices of some goods. Also, food prices rose 22.2 percent as compared to the previous year. In addition to that, the price index for the import and export goods rose 18.4 percent respectively [as received].

JAPANESE BANK LOANS TO BE REPAYED ON 10 FEB

LD040428 Tehran Domestic Service in Persian 2030 GMT 3 Feb 82

[Text] According to a Central News Unit report, an Oil Ministry under secretary announced today that Iran will pay back Japanese banks 13 billion Japanese yen, about 5 billion rials, at the appointed time in order to cover the principal and interest of the three loans made to the previous regime to finance the Joint Iranian-Japanese Petrochemical Complex.

In announcing this news, Mr Taheri, the under secretary to the Oil Ministry in petrochemical affairs, said: A number of propaganda machines in Japan are attempting to spread the rumor that Iran will not pay back this loan. However, loan is due on 10 February and it will be repaid on the scheduled date.

He added: We are awaiting the third round of talks, to be held in Tehran with our Japanese partners, on the petrochemical complex in Bandar-e Imam Khomeyni. We hope that the bilateral talks will soon begin in an atmosphere of understanding so that decisions can be made about the continuation of construction of the Iranian-Japanese petrochemical project -- 8.5 percent [figure as heard] of which has already been built -- and about ways to eliminate war damage to this project.

CLANDESTINE REPORTS PRICE HIKES, SHORTAGES

GF011835 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 1 Feb 82

[Text] The financial weakness of the Tehran regime has resulted in aggravation of shortages, phenomenal price increases and discontinuation of most ration quotas in Iran. The Free Voice of Iran correspondent reports that Behzad Nabavi, minister of state in charge of executive affairs, said that in view of the country's dwindling fuel resources the quota of gasoline for private cars has been reduced. Because of the regime's feeble financial condition, Nabavi had to remain silent when it was hinted that oil products could be purchased abroad.

It is said that the Libyan regime, which had been selling gasoline to Khomeyni's regime, has now refrained from giving loans to the so-called Islamic regime.

While acknowledging the shortages and increases in prices of consumer goods such as meat, shortening, tea, sugar and rice, Nabavi attributed them to the government's failure to purchase these foodstuffs from other countries. He tried to lay the blame for the Iranian regime's inability on the bazaar merchants, especially as the majority of them are opponents of the Khomeyni regime.

Our correspondent reports that the lines in front of stores selling foodstuffs, oil products and other necessities of life have lengthened. Many families have not been able to obtain eggs or chicken for a long time. According to the same report, the so-called Islamic regime's inability to afford to buy such commodities again presents a dismal picture of famine and unimaginable price increases in the cold days of winter.

ARMED FORCES JOINT STAFF COMMUNIQUE 779

LD031756 Tehran Domestic Service in Persian 1630 GMT 3 Feb 82

[Communique 779 of the Joint Staff of the Armed Forces of the Islamic Republic of Iran]

[Text] In His exalted name. Dear compatriots: The results of battle operations by combatants of the Armed Forces of the Islamic Republic of Iran and the situation of the warfronts are hereby brought to your attention:

Exchange of fire continued intermittently on the Sar-e Pol-e Zahab, Gilan-e Gharb, Sumar and Salehabad fronts. On the Konjancham and Meymak fronts, the exchange of fire was more intense.

During yesterday's operations, our powerful soldiers opened up artillery and heavy-weapon fire on positions, tank and artillery emplacements, mortars, roads and supply centers of the invading forces and inflicted some losses and damage on the enemy. During these operations, the proud combatants of the ground forces, while disrupting the enemy's movements and supply centers, set fire to two of their trucks and destroyed them. On each of the above-named fronts, a number of Iraqi troops were either killed or wounded.

On the Dar Ballut, Tang-e Hajian and other fronts of the region, brave combatants and self-scrificing fighters from the irregular forces of tribesmen brought enemy positions and installations under mortar and heavy-weapon fire. These combatants were backed by the powerful artillery fire of the ground forces. During these operations, the Saddamist forces suffered some losses and damage.

During yesterday's operations on the southern fronts, our victorious combatants, while defending their own positions, returned the enemy fire. On all these fronts the battle continued with exchanges of artillery and other heavy-weapon fire. In these regions, more than 16 trenches, foxholes and observation posts of the enemy were destroyed. Four enemy trucks were either destroyed or badly damaged and 24 enemy troops were killed or wounded.

Yesterday the aggressive enemy shelled Abadan's residential districts with long-range artillery fire. Some parts of the city were damaged and several of our dear Abadani compatriots were either wounded or martyred as a result of this shameful crime by the Ba'thist mercenaries.

On the battle of 1 February, nine self-sacrificing personnel of the ground forces and three navy personnel gained the status of martyrdom. May their souls be happy and may their path be victorious.

BRIEFS

SOVIET ENVOY MEETS ENERGY MINISTER -- Tehran, 2 Feb (IRNA) -- Bilateral technical cooperation was discussed at a meeting on Monday between Mr Vladimir Vinogradov, the Soviet ambassador to the Islamic Republic of Iran, and the Iranian energy minister, Dr Ghafuri-Fard. Also in the meeting in Tehran, the upcoming trip of the Iranian delegation to the Soviet Union on the third anniversary of the victory of the Islamic revolution of Iran was discussed. [Text] [Tehran IRNA in English 0911 GMT 2 Feb 82 LD]

PROVINCIAL PROJECTS PLANNED -- The technical office of the governor general of Kohkiluyeh va Boyer Ahmad has announced that a contract has been signed for the following projects: construction of warehouses for Yasuj, a police post at (Tandisurkh), construction of a 2,000-ton capacity depot in Do Gonbadan and a connecting bridge from the city to the (Radak) area, a 2,000-liter water reservoir and an enclosure around Deh Dasht which will be completed at a cost of 204 million rials. [Shiraz Domestic Service in Persian 1500 GMT 2 Feb 82 GF]